

**BALDWINVILLE CENTRAL SCHOOL DISTRICT
NEW YORK**

**COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT**

For Year Ended June 30, 2019

MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

October 15, 2019

To the Board of Education
Baldwinsville Central School District, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baldwinsville Central School District, New York as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Baldwinsville Central School District, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

Prior Year Deficiencies Pending Corrective Action:

Claims Auditor –

It is our understanding that the construction manager hired by the District manages all change orders and ensures they have the proper approvals. However, for an additional control feature, we recommend the claims auditor periodically review change orders to ensure the process is working.

**To the Board of Education
Baldwinsville Central School District, New York**

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Library –

During the course of our examination, we noted that the purchasing policy for the Library does not address quoting thresholds.

In an effort to conform with General Municipal Law, we recommend the Administration review this policy and create a regulation that establishes a range for obtaining quotations.

Current Year Deficiency in Internal Control:

Payroll –

As part of our payroll examination, we reviewed the payroll documentation maintained for the extra pay item identified in the contracts. During this examination, we noted one instance where there was no documentation on file to support an individual receiving extra pay for fifteen credit hours. In addition, we noted one instance in which the hourly rate paid was lower than what the salary notice indicated.

We recommend the District review their procedures to ensure appropriate documentation is obtained and maintained on file prior to employees receiving the extra pay benefit. In addition, we recommend procedures be developed to ensure rates are in agreement with the salary notices after they are initially entered into the system.

Other Items:

The following items are not considered to be deficiencies in internal control, however, we consider them other items which we would like to communicate to you as follows:

Cyber Risk Management –

The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

Federal Programs –

As a result of recent federal program changes, the District documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirement.

**To the Board of Education
Baldwinsville Central School District, New York**

Prior Year Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. All purchase orders selected for testing appeared to be dated and approved prior to the actual purchase being made.
2. The bank reconciliations examined were reviewed, signed, and dated by an individual independent of the bank reconciliation process.
3. The District transferred the amounts that were appropriated from the Workers' Compensation and Retirement Contribution reserves to the General Fund to support the 2018-19 budget.
4. Three old capital projects from prior years were closed out and transferred to the Debt Service Fund.

This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.



Rochester, New York
October 15, 2019